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SOURCE Newspapers as indicated.

CHINESE TRADE WITH USSR, SATELLITES INCREASES  
AS TRADE WITH HONG KONG DECREASES

[Numbers in parentheses refer to appended sources.]

A dispatch from Hankow, dated 29 March, stated that Wuhan trade has increased in the period from January to mid-March and has begun to flow toward the USSR and Eastern Europe. The value of Wuhan's import-export trade, taking November 1950 as 100 units, was: January 139, February 196.31, and mid-March 242.06. In January, all Wuhan trade was carried on with Hong Kong. By February, Hong Kong was still the source of all imports, but 19.07 percent of the exports went to the USSR and only 80.13 percent went to Hong Kong. By mid-March, 34.86 percent of all exports went to the USSR, 24.99 percent went to East Germany, and only 40.15 percent went to Hong Kong.(1)

A report from Taihoku on 15 April stated that the USSR had taken all of Kwangtung and Kwangsi wolfram production. The Chung-lien She is quoted as saying that in the past 6 months Soviet agents have shipped over 5,000 tons of wolfram ore to the USSR. This is given as confirmation of reports that the Soviets have been exploiting many of China's natural resources.(2)

On 23 May, a Taihoku report quoted a Chung-lien She statement that as of April, Communist China had shipped more than one million tons of cereal grains to the USSR in compliance with one of the various secret agreements concluded between Peiping and Moscow. This grain represents partial payment for the industrial equipment taken by the Soviets from the Northeast after World War II, which is now being transferred to the Chinese Communists.(3)

On 5 June, Canton reported that the Kwangtung Office of the China Local Products Corporation had made various trade agreements with the USSR and the People's Democracies. In addition to definite amounts of resin and coconut oil which have already been supplied to Poland, Czechoslovakia, and Hungary, the first shipments under these agreements consisted of cassia bark and aniseed which were sent to the USSR at the end of May. Due to a delay in cassia

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bark production caused by an extended rainy season, Chinese workers added extra shifts to meet the shipping quotas.(4) A Canton report of 30 June said that late in June the second shipment of cassia bark for the USSR had passed through Canton processing points and was loaded for transport north to the Soviet Union.(5)

On 22 June, Peiping reported the successful conclusion of trade agreements with the USSR. Big increases were predicted over the 1950 trade. The Sino-Czech agreement, signed in Peiping provided for the exchange of various Chinese raw materials for Czech finished products. The value of this exchange is expected to exceed that of 1950 by 400 percent.(6)

A Canton wire of 28 June said that USSR machine oil and East German bicycles have already reached the Canton markets. USSR machine oil is selling at 5,679,000 yuan per barrel (200 liters). The high ignition point and low carbon formation of this oil make it suitable for lubrication of internal combustion engines. The bicycles from East Germany will sell at 3.2 million yuan each. In lots of five or more, the bicycles will sell for 3.1 million yuan each.(7)

The Canton Local Products Corporation is promoting the sales of Tung-wan marsh grasses to increase trade. A Canton dispatch of 30 July states that an agreement has been reached to supply Czechoslovakia with these grasses. Yearly Tung-wan marsh grass production amounts to over 300,000 piculs. This grass is used to weave grass cords and colored mats which are exported to Europe, America, Australia, and Japan. Some of the grass is exported to the South Seas. The volume of export is equal to about 80 percent of the total grass crop. The first shipment of this grass to Czechoslovakia, amounting to 40,000 cattles, was loaded for transport in the beginning of June.(5)

#### SOURCES

1. Shanghai, Ta Kung Pao, 30 Mar 51
2. Hong Kong, Kung-shang Jih-pao, 16 Apr 51
3. Ibid., 24 May 51
4. Hong Kong, Hsing-tao Jih-pao, 6 Jun 51
5. Ibid., 4 Jul 51
6. Hong Kong, Ta Kung Pao, 23 Jun 51
7. Hong Kong, Hsing-tao Jih-pao, 29 Jun 51

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